



CITY OF MILPITAS
ECONOMIC DEVELOPMENT SUBCOMMITTEE
MILPITAS CITY HALL COMMITTEE MEETING ROOM
UNAPPROVED MINUTES
March 16, 2009

- I. Call to Order** Mayor Robert Livengood called the meeting to order at 5:30 p.m. Present were Councilmember Althea Polanski, City Manager Tom Williams, City Attorney Mike Ogaz, Deputy City Attorney Bronwen Lacey and Economic Development Manager Diana Barnhart
- II. Approval of the Agenda** MOTION to approve the agenda.
M/S: Polanski/Livengood Ayes: 2
- III. Public Forum** There were no requests to speak.
- IV. Freeway Signage** Ms. Barnhart distributed copies of staff's memo and recommendation to the audience, Mayor and Councilmember Polanski. Ms. Barnhart noted staff's recommendations as follows:
1. That the City contract with CBS Outdoor to provide marketing services for all freeway signs within the City limits.
 2. That the Milpitas Automotive Group be granted the right to develop four freeway signs.
 3. That the McCarthy Ranch be allowed to develop three freeway signs.
 4. That the City allow up to 7 freeway electronic message board signs spread along I-680, I-880 and Highway 237.
 5. That as many signs as possible be located on public property.
 6. That the selected sign developer agrees to guaranteed annual revenue payments in addition to an annual percentage revenue share.
 7. That the sign developer bears all costs associated with design, permit approval, lease negotiations, environmental review, sign fabrication, installation, maintenance and marketing.
- Councilmember Polanski asked if staff is recommending a total of seven signs within Milpitas and Ms. Barnhart said yes and staff believed, after meeting with the advertisers, that having just one advertiser would generate the most revenue for the City.



Mayor Livengood invited the applicant's to speak.

Kai Giffin, representing CBS Outdoor with Milpitas Automotive Group, said Piercey Toyota spent \$21 million dollars to build a Milpitas site and left San Jose because they wanted additional revenue, and now they felt the City is taking that away from them.

Bob Harbin with CBS Outdoor said he is concerned about the health of the dealership and felt that Piercey Toyota would do an excellent job carrying out the City's recommendations.

Mayor Livengood asked what would happen if the Council pursues staff's recommendation and CBS Outdoor has to work with McCarthy Ranch. Mr. Harbin said they will work with everyone fairly. Mr. Harbin also agreed that a single source provider is the best way to maximize revenue as long as a good agreement is reached.

Bill Hooper, President of Clear Channel and representing McCarthy Ranch, said they were able to double Oakland's revenue and that they have significant experience relative to freeway signage near residential neighborhoods.

Joe McCarthy, representing McCarthy Ranch, said they prefer to work with Clear Channel and want to work with Piercey Toyota as well and said they have no problem advertising for Piercey Toyota.

Councilmember Polanski asked if environmental review is complete and Ms. Barnhart said additional study must be completed.

Mayor Livengood asked when will this go to Council and Ms. Barnhart said April 21st.

Motion for CBS Outdoor to work with Milpitas Automotive Group with 3 signs (1 will be on their property and the other 2 will be on City RDA sites) and for McCarthy Ranch to work with Clear Channel Outdoor with 3 signs on McCarthy's property.

M/S: Livengood/Polanski Ayes: 2 Noes: 0

Councilmember Polanski concurred with six signs and said she is not a big fan of freeway signage because Milpitas is only 13.7 square miles. She said



she sees passion on both sides and said competition is good and she wants to see both groups work together.

V. Local Preference Purchasing Policy Bronwen Lacey, Deputy City Attorney, presented the Local Preference Purchasing Policy and recommended that the City consider a policy that would allow the local bidder, if not the lowest bidder but is within 10% of the low bid, to match the low bid for the award.

Council Member Polanski asked if the recommendation would continue to reflect the lowest and most responsible bid and staff concurred that the "most responsible" aspect of bid analysis would continue.

Staff indicated that the Local Preference ordinance changes would be incorporated into a comprehensive update to the Purchasing Ordinance and would be presented to the City Council in May.

Motion to approve the recommended Local Preference Purchasing Policy.

M/S: Livengood/Polanski Ayes: 2 Noes: 0

Councilmember Polanski pointed out that the Lucky's shopping center and the Mervyn's shopper center are looking very empty and tired and asked if it could be discussed as a future agenda item and Ms. Barnhart said yes.

VI. Adjournment Chair/Mayor Robert Livengood adjourned the meeting at 6:00 p.m. to the April 20, 2009 meeting.

Respectfully submitted,

Veronica Bejines, Recording Secretary